

COASTAL CONSERVANCY

Staff Recommendation
January 29, 2015

WEST HILLS FARM ACQUISITION

Project No. 14-044-01
Project Manager: Melanie Denninger

RECOMMENDED ACTION: Authorization to disburse up to \$262,500 to the Muir Heritage Land Trust for acquisition of the West Hills Farm Property in Contra Costa County.

LOCATION: Near the City of Martinez and adjacent to the John Muir National Historic Site in Contra Costa County

PROGRAM CATEGORY: San Francisco Bay Area Conservancy Program

EXHIBITS

- Exhibit 1: [Project Regional Location](#)
 - Exhibit 2: [Project Vicinity](#)
 - Exhibit 3: [Project Photos](#)
 - Exhibit 4: [Biodiversity Report from the Conservation Lands Network](#)
 - Exhibit 5: [Project Letters](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 *et. seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed \$262,500 (two hundred sixty-two thousand five hundred dollars) to the Muir Heritage Land Trust (“the Land Trust”) for acquisition of the 44.37-acre West Hills Farm property (Assessor’s Parcel Number 367-080-001) near Martinez in Contra Costa County for the purposes of preserving open space, scenic resources, plant and wildlife communities, watersheds and other natural resources, while enabling public access that is compatible with those purposes. This authorization is subject to the following conditions:

1. Prior to disbursement of any Conservancy funds, the Land Trust shall submit for review and approval by the Executive Officer of the Conservancy (the Executive Officer”):

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- a. All relevant acquisition documents including but not limited to the appraisal, environmental assessments, escrow instructions, title reports and documents of title necessary for the purchase of the property.
 - b. Evidence that sufficient funds are available to complete the acquisition.
 - c. A stewardship plan, budget and schedule describing the actions that the Land Trust will take, prior to the anticipated transfer of the property to a long-term manager, to monitor and maintain existing natural resources on the property and any natural-resource-compatible public access, and any grazing proposed for the property.
 - d. A plan showing the design and placement of signs acknowledging Conservancy funding for the acquisition.
2. The Land Trust shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
 3. The Land Trust shall permanently dedicate the property for the purposes of preserving open space, scenic resources, plant and wildlife communities, watersheds, a wildlife corridor and other natural resources, while enabling compatible public access, by recording an offer to dedicate or other instrument acceptable to the Executive Officer.
 4. The Land Trust may transfer the property to the National Park Service (or similar entity) if the National Park Service has entered into an agreement with the Conservancy sufficient to protect the public interest.
 5. The Land Trust shall submit a written monitoring report to the Executive Officer before close of escrow on acquisition of the property, and at five-year intervals thereafter for as long as it holds a property interest, identifying the conditions and circumstances of the property as relevant to the project purposes.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, regarding the San Francisco Bay Area Conservancy Program.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. The Muir Heritage Land Trust is a nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

Staff recommends that the State Coastal Conservancy authorize the disbursement of up to \$262,500 (two hundred sixty-two thousand five hundred dollars) to the Muir Heritage Land Trust (“Land Trust”) for acquisition of the 44.37-acre West Hills Farm property in unincorporated Contra Costa County near Martinez (Exhibits 1 and 2) for the purposes of preserving open space,

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scenic resources, plant and wildlife communities, watersheds, a wildlife corridor and other natural resources, while enabling public access that is compatible with those purposes.

Acquisition of West Hills Farm is a priority for Conservancy assistance because it is critical habitat for the threatened Alameda County whipsnake, supports rich and diverse plant and wildlife communities, encompasses a portion of the wildlife corridor provided by the watershed and channels of Strenzel Creek, will expand and buffer the existing natural and scenic resources of the adjacent John Muir National Historic Site (“Muir Historic Site”), and provides opportunities for expanding and connecting to trails on the Muir Historic Site, including the San Francisco Bay Area Ridge Trail (“the Ridge Trail”). In addition, West Hills Farm has a rich history associated with nineteenth-century California. Absent a conservation acquisition, the landowners could be expected to continue to pursue subdivision and development of ranchettes in accordance with the existing zoning or to sell the property to another developer. The property is described in more detail in “Site Description” below.

The acquisition is proposed to be funded in equal amounts by the Conservancy and the City of Martinez, for a total purchase price of \$525,000. Conservancy staff has reviewed the appraisal commissioned by the Land Trust and agrees the purchase price does not exceed fair market value.

The Land Trust is prepared to manage and monitor the property and is fundraising from private sources to assemble an endowment to be dedicated to those purposes. According to the Land Trust, it is likely that it will be able to transfer the property within a few years to the National Park Service (“Park Service”) for expansion of the adjacent Muir Historic Site. Just before the end of the 113th Congress in December, the House of Representative passed a bill authored by Rep. George Miller, Jr. (now retired), authorizing the “Park Service” to expand the Muir Historic Site; however, the session ended before the Senate could act. If the legislation is reintroduced and enacted, the Land Trust envisions transferring title to the Park Service, along with the endowment.

The Land Trust is a private nonprofit organization dedicated to protecting fish and wildlife habitat, open space, scenic resources, and agriculture in northwestern Contra Costa County. On prior grant projects, Conservancy staff has found the Land Trust to be a very capable and responsible grantee and land manager. Additional detail about the Conservancy’s prior assistance to the Land Trust is included in “Project History” below.

Site Description:

Overview: The rugged 44.37-acre West Hills Farm is located in the Alhambra Creek watershed in north central Contra Costa County near the western edge of the City of Martinez (Exhibits 1 and 2). It is bordered on the north by the 345-acre Muir Historic Site (formerly John Muir’s home and farm), which is operated by the Park Service. Alhambra Valley Road forms the eastern boundary, suburban residences lie to the south, and private ranchland abuts on the west. Vehicle access to the site is from Alhambra Valley Road and existing informal trails on the property connect with trails on the Muir Historic Site, including the Ridge Trail.

The steep slopes of West Hills Farm are cloaked with oak woodlands, chaparral and grasslands. (Exhibit 3) Strenzel Creek, a tributary of Alhambra Creek, flows along the bottom of the ravine where the property abuts the Muir Historic Site. The watershed and channel of the creek provide a wildlife corridor that links to downstream habitat in and around Alhambra Creek. The property

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is also within “critical habitat” for the Alameda whipsnake and the whipsnake was recently observed on the property by a biologist engaged by the Land Trust.

Bay Area Conservation Lands Network (“CLN”; also known as Upland Habitat Goals): The CLN is a science-based assessment tool created by multiple agencies and used to identify priorities for conservation of large blocks of lands needed to preserve biodiversity in the Bay Area. The Conservancy helped fund creation of the CLN. CLN biodiversity reports, such as the one generated for West Hills Ranch and attached as Exhibit 4, are designed to analyze the conservation value of property 250 acres or larger and will not analyze property of less than 100 acres. West Hills Farm comprises only 44.37 acres, so its size is exaggerated on the map in Exhibit 4 to enable using the CLN analytical tool. The resulting CLN map and report provide a rough evaluation showing that a portion of the West Hills Farm is within CLN “Areas Important to Conservation Goals.”

Project History: West Hills Farm is at the northeastern corner of a swath of hilly, oak-studded watersheds and rangelands extending west to Hercules and south to Highway 24 (Exhibit 2) that the Land Trust, the East Bay Regional Park District, the East Bay Municipal Utility District, the Conservancy, other public agencies and local communities have been working for some 25 years to conserve for open space, natural resources, watersheds and public access, while enabling cattle ranching to continue. The West Hills property has the additional historic value of having been owned and farmed by the family of John Swett, John Muir’s brother in-law and the founder in the late 1800s of California’s statewide public school system. A small olive orchard and unpaved farm roads remain as reminders of the property’s history.

The Land Trust first approached the current owners of West Hills Farm in 2008. Until recently, they were pursuing residential development of the property and were unwilling to sell at or below the appraised fair market value. Shortly after the Land Trust and the owners entered into a purchase and sale agreement, the Land Trust approached Conservancy staff regarding funding assistance for a conservation acquisition. The agreement specifies that escrow will close by May 31, 2015.

PROJECT FINANCING

Coastal Conservancy	\$262,500
City of Martinez (commitment anticipated in January 2015)	<u>\$262,500</u>
PROJECT TOTAL	\$525,000

The anticipated source of Conservancy funds is an appropriation to the Conservancy from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (“Proposition 40,” Public Resources Code Section 5096.600 *et seq.*). Consistent with Section 5096.650 (b), the project will entail use of funds for the purposes of Division 21 of the Public Resources Code (the Conservancy’s enabling legislation) and, more specifically, will result in acquisition and protection of land and water resources. Consistent with Section 5096.651, the project is being given priority because it includes a commitment for a 1:1 matching contribution.

In addition to matching funds from the City of Martinez for the acquisition, the Land Trust is contributing an estimated \$88,000 in cash and in-kind services for an appraisal, transaction costs,

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a resource inventory and environmental assessment, and related matters. Shell Oil, which has a refinery in Martinez, is also expected to donate \$125,000 for long-term stewardship and monitoring.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with the provisions of Chapter 4.5 of Division 21 of the Public Resources Code, Sections 31160-31165, which state that the Conservancy may award grants in the nine-county San Francisco Bay Area to help achieve stated goals.

Consistent with Section 31162(b), the proposed project will help “to protect...natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional importance.” The property acquisition will result in protection of the oak-woodlands, grasslands, chaparral, and riparian communities, including habitat for the federally listed Alameda whipsnake; protection of a scenic area; and protection of the watershed of Alhambra Creek, which flows into San Francisco Bay via the Carquinez Strait.

Section 31163(a) provides that “any acquisition of real property by the Conservancy pursuant to this chapter shall be from willing sellers.” Consistent with this section, the sellers of the property have entered into a purchase and sale agreement with the Land Trust. The Land Trust is a private nonprofit organization with no ability to force the transfer of title.

The property acquisition satisfies the criteria for determining project priority under Section 31163(c), as the project has the following characteristics: it serves a regional constituency in that the project will help preserve sensitive natural communities and also provides scenic resources and potential trail connections; it is likely to be implemented in a timely way because all acquisition funding has been identified and the signed purchase and sale agreement provides for close of escrow by May 31, 2015; it includes substantial matching funds.

CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 11, Objective B** of the Conservancy's 2013-2018 Strategic Plan, the proposed project would protect approximately 44.37 acres of wildlife habitat, connecting corridors, scenic areas, and other open space resources of regional significance in the Bay Area.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the “Consistency with Conservancy's Enabling Legislation” section above.

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2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Promotion and implementation of state plans and policies:** By acquiring and protecting the West Hills Farm, the project will promote and implement many state plans and policies. The following are several examples:
 - *California Wildlife: Conservation Challenges (California’s Wildlife Action Plan)*, Department of Fish and Wildlife (2007). Chapter 4: Statewide Conservation Actions, d. “The state should partner with federal and local land managers, land trusts, and conservancies to...secure, through purchase...important habitat linkages and other priority sites that are not now protected.”
 - *Federal Register/Vol. 71, No. 190/Monday, October 2, 2006, Designation of Critical Habitat for the Alameda Whipsnake*, Department of the Interior, U.S. Fish and Wildlife Service. Map 2, Alameda Whipsnake Critical Habitat Units 1, 2 and 6 shows that the West Hills Farm is within Critical Habitat Unit 1.
 - *California @50 Million: The Environmental Goals and Policy Report*, Office of Planning and Research (2013 Draft). Key Actions to Preserve and Steward State Lands and Natural Resources, 3. Build resilience in natural systems: “...Certain ecosystems also provide necessary habitat for the state’s native species and provide migration corridors and access to necessary habitat and food...”
4. **Support of the public:** As shown in the letters attached as Exhibit 5, the project is supported by Congressman George Miller, Jr. (retired), State Senator Lois Wolk, Assemblymember Susan Bonilla, Contra Costa County Supervisor Federal Glover, the Friends of Alhambra Creek, and the Bay Area Ridge Trail Council.
5. **Location:** The project is located in Contra Costa County, within the jurisdiction of the nine-county San Francisco Bay Area Conservancy Program.
6. **Need:** The Land Trust has assembled a 1:1 match for the Conservancy’s contribution to the acquisition and additional funding that can only be used for transaction costs, stewardship, an endowment, and related costs. No other funding is available to enable funding the acquisition by the time that the sellers wish to complete the transaction.
7. **Greater-than-local interest:** The project serves greater-than-local interest in that it protects diverse habitat for California native species, including the Alameda whipsnake, which is designated by both the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Service as threatened. It will also improve access to the regional Ridge Trail and expand the protected habitat within the adjacent Muir Historic Site.
8. **Sea level rise vulnerability:** The project is not vulnerable to rising sea level, as it is located approximately 3.5 miles from the Carquinez Strait and 200 feet above current sea level.

Additional Criteria

9. **Urgency:** The purchase and sale agreement between the Land Trust and the seller sets May 31, 2015 as the date for close of escrow. If that deadline is not met, the seller can be expected to resume its development efforts or pursue sale to another party who will pursue development.

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11. **Leverage:** See the “Project Financing” section above.
12. **Conflict resolution:** The conservation acquisition of West Hills Farm will put to rest the seller’s controversial development proposal.
14. **Readiness:** With the recommended Conservancy authorization to provide up to \$262,500 for the project, the major prerequisites for completing the transaction by May 31, 2015 appear to be in place. Those prerequisites include a signed purchase and sale agreement between the Land Trust and the seller, a satisfactory appraisal, a baseline assessment and environmental assessment, and full funding for the acquisition.
17. **Cooperation:** In developing the project, the Land Trust has engaged the cooperation of the federal government (legislation to expand the Muir Historic Site introduced by Congressman Miller and informal cooperative management with the Park Service until such time as the property is added to the Muir Historic Site), the State (recommended Conservancy contribution to acquisition), local government (City of Martinez commitment to provide matching funds for the acquisition), and community members (donations to the Land Trust for transaction and stewardship costs and an expected donation from Shell Oil for long-term property management).

COMPLIANCE WITH CEQA:

Land acquisition for the purpose of preserving the land in its natural condition and providing public access is categorically exempt from the California Environmental Quality Act (CEQA) under 14 California Code of Regulations Section 15313, Acquisition of Land for Wildlife Conservation Purposes; Section 15325, Transfer of Ownership of Interest in Land to Preserve Existing Natural Conditions; and Section 15316, Transfer of Ownership of Land in Order to Create Parks. Consistent with the provisions of these sections, the purposes of the proposed acquisition are to preserve sensitive natural resources in their existing natural condition through the transfer of ownership to a conservation organization, with future use restricted to natural resource protection and compatible public access and grazing. While no property management plan has been prepared yet, the Land Trust contemplates trails for hiking and nature study and eventual transfer of the property for management as part of the adjacent Muir Historic Site.

Staff will file a Notice of Exemption following Conservancy authorization.